



# ***CITY COUNCIL***

## ***Housing, Economic Development and Strategies Committee***

**Monday, December 3, 2012  
5:30 pm  
City Council Office**

**The Housing, Economic Development and Strategies Committee's responsibilities includes Housing Planning strategies, Building Code/Inspection, Economic Development, Citywide Economic Development Programs, Small Businesses, Business Improvement Districts and Enterprise Zones.**

**Committee Members:** Randy Corcoran (Chair), Marcia Goodman Hinnershitz (Vice-Chair) and Jeffrey Waltman

*Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.*

*All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012*

- I. Property Maintenance – R. Natale**
  - 1. Review PM Monthly Report and QoL Monthly Report**
  - 2. Update Certificate of Transfer – start date July 1**
    - a. Payment of Back Fees
    - b. Number of illegal units identified during inspections
  - 3. Rental Inspection & Health Fee Review**
  - 4. Outcomes of MDJ Rulings on Codes Cases**
    - Guilty, Not Guilty, Dismissed*

## **II. Update on Zoning Backlog and Start of Hearings**

*Number of letters mailed to properties that will be heard by the hearing master & City Council*

## **III. CD – L. Agudo**

- 1. Update on Microloan Program Loans (delinquent & current)**
- 2. Update on Implementation of Housing Strategy**
- 3. Update on Status of Economic Development Strategy**

## **IV. Other Matters**

### **Adjourn to Executive Session re Litigation (Solicitor)**

### **Follow Up Items**

- Plumbing Code Amendment
- Report on disposition of Codes Cases at MDJ Hearings - ongoing
- Request receipt of monthly Codes Report - ongoing
- Review RFPs for Delinquent BPL and other fee/tax collection
- Resolution to fund Micro Loan Enterprise Program - complete
- Housing & Economic Development Strategy update
- End to end review of Housing process - JANUARY
- List of Backlog properties and status
- Update on Comprehensive Plan – JANUARY
- Review of Section 8 Vouchers and Voucher Program - FEBRUARY
- Status on Implementation of MVA – JANUARY
- Update on Housing and QoL Amnesty Program - FEBRUARY



# *CITY COUNCIL*

## ***Housing, Economic Development & Strategies Committee***

### **Meeting Report Tuesday, September 4, 2012**

**Committee Members Attending:** Chair, R. Corcoran, M. Goodman-Hinnershitz, J. Waltman

**Others Attending:** L. Kelleher, T. Butler, C. Younger, R. Natale, L. Agudo, C. Peiffer, B. Rivera, E. Lloyd

Mr. Corcoran, Chair, called the meeting to order at 5:05 pm.

#### **Zoning Backlog**

Mr. Peiffer stated that letters are being sent to approximately 585 properties, which is approximately one third of the number of properties with applications stuck in the backlog for issues such as the number of units present does not match the City's records, incomplete application, lack of application fee, etc. He stated that a hearing master has been retained; however, a new RFP for stenographic services needs to be issued.

Ms. Goodman-Hinnershitz noted the work of City Council and Council staff on housing and illegal rentals over the past years. She expressed the belief that the increase of illegal conversions has contributed to Reading's poverty rate, along with the decline in property maintenance by some investors. She suggested that the City also explore the number of Section 8 vouchers that are used at current rental properties.

Mr. Acosta expressed the belief that units or properties that take Section 8 vouchers he probably better maintained than those properties that do not accept vouchers due to the

strict maintenance requirements demanded by HUD.

Mr. Peiffer stated that applications will be mailed out with the letters denying the zoning permit. The owners will need to decide whether they should appeal the decision to deny the permit or apply for a Conditional Use permit, which would be handled by either the Hearing Master, a Council member or the full body of Council.

Mr. Agudo stated that the clearing of the backlog must be carefully handled. He stated that he will be seeking additional part time positions in the Zoning Office in the 2013 budget, which will increase the ability of staff to provide zoning services.

Ms. Goodman-Hinnershitz noted the leniency used by some surrounding municipalities in property maintenance regulations and in allowing conversions.

Mr. Waltman explained that when the prior “fast track” program was in place approximately 2000 zoning permits were improperly issued. He stressed the need to take great care before approving rental properties and units.

Mr. Acosta stated that some investors believe that Reading’s new regulations are a disinvestment to owning investment properties in Reading. However, the changes imposed were meant to strengthen Reading’s housing and living conditions.

The committee discussed how housing and rental housing affects the quality of life for Reading residents and the Reading School District.

The committee stated that while the backlog properties are being handled, process issues that require corrections will occur. They asked Mr. Peiffer and Mr. Agudo to bring those issues to the committee’s attention quickly so they can be cured, rather than ignored like they were in the prior “fast track” process. Mr. Natale stated that this committee has always been very receptive and responsive to property maintenance issues they have considered.

Mr. Waltman noted the need to address housing from an end to end basis so strengths, weaknesses and corrective action can be identified.

### **Property Maintenance**

- **Monthly Report**

Mr. Natale distributed his monthly report showing the following:

- Year to date of the 452 illegal rentals visited, 375 were brought into compliance and 129 violation notices issued

- Year to date there were 611 MDJ Hearings, 228 guilty verdicts, 155 not guilty verdicts, and 228 dismissals.

Ms. Kelleher inquired about the number of illegal rentals uncovered by the Post-settlement Inspection. Mr. Natale stated that he was unsure of the exact number but to date less illegal rentals have been discovered than expected.

Mr. Acosta noted that compared to the past, it now takes Settlement Companies approximately 10-14 days to schedule settlements and that the settlement date is often changed frequently due to the new requirements. He stated that if a property listed as a seven unit rental only has zoning for five units the agreement to purchase or obtain financing could fall apart as the new value of the property will change. The settlement process was discussed.

- **Fees**

Mr. Natale and Ms. Butler stated that the rental inspection fee is still being evaluated. The Committee expressed the belief that the evaluation of fees must be completed before the 2013 budget is prepared and presented, as the budget will contain revenue projections for the collection of various fees based on the amount of the fee.

Mr. Natale agreed with the need to re-evaluate the rental inspection fee. He stated that the inspection fee of \$505 for a one and two unit property is based on the average need to re-visit each property three times. He explained that additional charges apply after four and more re-checks. He stated that this is being re-evaluated because under this application rental properties that only require one inspection are subsidizing properties that require multiple visits.

When asked about the issue of collecting back fees from the current property owner, Ms. Butler stated that the Managing Director will be meeting with affected property owners about this issue.

- **Quality of Life Recommendations**

Mr. Natale stated that work to implement the recommendations to improve this program is underway. He stated that an explanatory power point is on the City website. He also distributed a draft brochure that will be provided to property owners.

### **CD Microloan**

Mr. Agudo distributed the draft resolution that will authorize the funding of the Microloan Program along with an explanatory memo. He stated that this issue was identified in the past 2 external audits. He stated that the resolution is also being

reviewed by the Solicitor. He stated that he would like this resolution on the September 10<sup>th</sup> Council meeting agenda. He stated that although funding was not authorized; loans were approved by Fulton Bank. He noted that only one loan, valued at \$35,000, is in default. He stated that the documentation required to support the loan application is very good and protects the City. He also stated that the CD Department is also working with the Solicitor to prepare a new contract, as requested.

### **Housing and Economic Development Strategy**

Mr. Agudo stated that after the Market Value Analysis is released in late October, the CD Department will work to incorporate the findings into the Housing Strategy. He stated that the data in the Market Value Analysis will be used to help the City focus its resources both internally and externally.

Mr. Corcoran stated that he, Ms. Reed, and Ms. Kelleher attended a briefing on the Market Value Analysis last week. He stated that the information that will be provided will benefit the City.

Mr. Agudo noted the need to fill the unfilled Housing Coordinator position which is included in the 2012 budget and position listing. He stated that he is considering running an advertisement to fill the position.

Mr. Agudo stated that he will be working with the Reading Redevelopment Authority to finalize the Economic Development Strategy. He stated that he will work to remove walls and increase cooperation through a re-organized office and team who will improve various processes.

Ms. Reed noted the need to rebuild the middle class in Reading, along with rebuilding market rate housing and de-convert multi-unit rental properties. Ms. Kelleher explained that the CORE program will provide that start, as CORE properties can only be purchased for owner occupancy. She stated that 737 N 4<sup>th</sup> Street is the first property in the program. This three unit property will be de-converted to a single family unit. She noted that the program was off to a slow start due to the number of foreclosed, bank-owned properties. She stated that Ms. Butler worked very hard to break down various hurdles within the bank. She stated that Ms. Butler is currently working to obtain title to 1131 Amity Street.

Ms. Kelleher explained that CORE is focused on low density residential neighborhoods, historic districts and blocks that are in decent condition. She stated that the program will help stabilize neighborhoods.

The committee recessed and reconvened as a Committee of the Whole in the Penn Room.

### **EDI Grant for Riverplace**

Mr. Weidenhammer, Mr. Olsen and Mr. McDougal stated that this grant was an earmark from Congressman Gerlach to provide “way finding” signage along the Penn Corridor. The grant will provide signage for Reading, West Reading and Wyomissing. They explained the mission of the Penn Corridor, which works to keep the area clean and safe, well marketed and branded, and sustainable. As the project came in under budget, they are also considering some streetscape improvements such as trash receptacles and benches. In Reading the signs will run from N 2<sup>nd</sup> to N 11<sup>th</sup> Street, along Penn Street.

Mr. Olsen gave a PowerPoint presentation on the sign design, which will mesh with the types of standards already in place in Reading, West Reading and Wyomissing. The signs will direct people to places of public assembly, such as the Sovereign Center, City Hall, Pagoda and Library. The signs will be blade-style. Some can be attached to already existing standards.

There was a discussion on the positioning of the flower baskets attached to the poles and the location of the blades. Mr. Olsen stated that the group will consider adding directional signs to the parking garages in the future.

As no other business was brought to the table the meeting adjourned at approximately 6:45 pm.

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*

### **Follow-up Issues**

- End to end review of housing process
- Finalization of Economic Development Strategy
- Update on evaluation of fees (rental inspection and health permit)
- List of backlog properties and status